

Washington, DC - Today, Rep. Linda Sánchez (D-CA) testified during a hearing held by the Subcommittee on Commercial and Administrative Law (CAL Subcommittee) on her legislation that will protect the elderly and their families from being forced to accept mandatory arbitration clauses when they enter into contracts for nursing homes care.

To view Rep. Sánchez testimony, visit her YouTube site at:  
[www.youtube.com/user/LindaTSanchez](http://www.youtube.com/user/LindaTSanchez)

At the hearing “Mandatory Binding Arbitration: Is it Fair and Voluntary?” Rep. Sánchez stated, “Last Congress, when I chaired this Subcommittee, I held four hearings on arbitration matters. I was both shocked and heartbroken when I heard testimony of families who were left powerless and bankrupt because of contracts that had an arbitration clause in the fine print.”

Sánchez’ legislation, the Fairness in Nursing Home Arbitration Act (H.R. 1237), will make pre-dispute, mandatory, binding arbitration clauses in contracts between long-term care facilities and their residents unenforceable. This legislation will not prohibit arbitration, but will simply ensure that nursing home residents have the choice whether to arbitrate a dispute after it has arisen.

“This bill is about fairness,” continued Sánchez. “Fairness demands that parties to a contract should have a legitimate choice, not a forced one, about whether or not to arbitrate their disputes. We have to protect families and seniors, and that includes giving them the tools they need to protect their full legal rights.”

The long-term care industry is one stark example where businesses draft “take-it-or-leave-it” admission agreements for prospective residents that include pre-dispute mandatory arbitration clauses. For families who are unable to provide adequate care in the home setting, the need for an immediate placement for their loved one makes the “take-it-or-leave-it” choice, no choice at all.

Rep. Linda Sánchez made it very clear that she strongly supports the principles of arbitration and the arbitration process. Arbitration can clear court dockets, provide swift resolution, and reduce legal fees. However, because it can also limit evidence and damages, and deny the possibility of a jury trial, it must be willingly entered into by both parties, not just the party with greater economic power.

Sánchez continued by saying, “The emotional toll and the sense of vulnerability when moving a loved one into the care of strangers at a nursing home is something I am all too familiar with. My father, who has been struggling with Alzheimer’s for a number of years, took a turn for the worse in recent years, to the point where we could no longer provide safe and adequate care at home.

“One of the last things I wanted to worry about when searching for that perfect placement was whether he was forgoing his legal rights. Instead, I wanted to focus solely on the quality and range of services the facility would provide him.

“As it turned out, my family chose a facility that met our requirements but also had a mandatory, pre-dispute arbitration clause in its contract. This bill is for the families across the nation who face similar decisions at a time when they are least prepared to make them.”